



Michigan
Office of the Auditor General
REPORT SUMMARY

Performance Audit

Report Number:
271-0153-07

Collection of Delinquent State Taxes

Department of Treasury

Released:
May 2008

Under the authority of Act 122, P.A. 1941, as amended, the Collection Division, Department of Treasury, is responsible for pursuing the collection of delinquent State taxes identified by the other divisions within the Department.

Audit Objective:

To assess the effectiveness of the Department's efforts to pursue methods of collecting identified delinquent State taxes.

Audit Conclusion:

We concluded that the Department's efforts were effective in pursuing methods of collecting identified delinquent State taxes. However, our assessment disclosed two reportable conditions (Findings 1 and 2).

Reportable Conditions:

The Department had not collected and analyzed data to determine and implement the most effective and efficient use of liens to help protect the security interest of the State and to help collect delinquent State taxes (Finding 1).

The Department should perform a cost-benefit analysis of allowing taxpayers the ability to use credit cards to pay State

taxes. In addition, if the Department's analysis supports the use of credit cards as a method of paying State taxes, the Department should seek amendatory legislation to authorize the use of credit cards as a payment option. (Finding 2)

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Agency Response:

Our audit report contains 2 findings and 3 corresponding recommendations. The Department's preliminary response indicates that it partially agrees with 1 recommendation and agrees with 2 recommendations.

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A copy of the full report can be
obtained by calling 517.334.8050
or by visiting our Web site at:
<http://audgen.michigan.gov>



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